

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 09-_____
v.	:	DATE FILED: <u>December 3, 2009</u>
ROMAN R. FITZMARTIN	:	VIOLATIONS:
	:	18 U.S.C. § 1341 (mail fraud – 2 counts)
	:	Notice of forfeiture

I N F O R M A T I O N

C O U N T S O N E A N D T W O

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to the information:

1. Defendant ROMAN R. FITZMARTIN operated a real estate development business in Doylestown, Pennsylvania, known as the Doylestown Investment Group, Inc., (“DIG”). DIG’s business was finding commercial properties for sale, purchasing them, and developing them for sale at a profit. Typically, defendant FITZMARTIN raised the funds to purchase a property by, among other things, obtaining a commercial mortgage on the property and enlisting investors who received an equity interest in a particular property and periodic interest payments in exchange for their investment.

THE SCHEME

2. From in and about at least March 2005 until August 2008, defendant

ROMAN R. FITZMARTIN

knowingly devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant ROMAN R. FITZMARTIN defrauded investors by falsely promising them an equity interest in various real estate projects and converting to his own use proceeds of real estate sales that should have been paid to investors.

A. The FUEL Project

4. In approximately February 2005, defendant ROMAN R. FITZMARTIN formed a limited partnership called FUEL Real Estate, LP, and entered into an agreement to purchase an investment property at 76 E. Main Street in Doylestown, Pennsylvania. Defendant FITZMARTIN entered into agreements with six investors pursuant to which the investors supplied approximately \$209,000 to use to purchase and develop the property. Defendant FITZMARTIN obtained a mortgage for the balance of the purchase price of the property. Under these agreements, the investors received a 95-percent ownership in the property and defendant FITZMARTIN retained a five-percent ownership interest.

5. Defendant FITZMARTIN agreed to make quarterly interest payments to the investors before the property was sold. When the property was sold, the mortgage was to be paid first, the investors second, and defendant FITZMARTIN last.

6. In late-2005, even though he had already sold 95 percent of equity in the FUEL project, defendant ROMAN R. FITZMARTIN solicited two additional individuals and asked them to invest in the project, and falsely promised them equity interests of a total of 56 percent. In exchange for the equity interest, the investors gave defendant FITZMARTIN approximately \$355,000.

7. Defendant ROMAN R. FITZMARTIN secretly sold the FUEL property for \$635,000 in May 2007 and did not inform any of the investors of the sale. Defendant FITZMARTIN received proceeds from the sale of \$48,955.28 after paying off the mortgage. Instead of paying the investors as he was required, defendant FITZMARTIN kept these funds and used them to pay his own personal and business expenses. To keep his victims from learning that he had sold the property, defendant FITZMARTIN continued to send by United States Mail quarterly interest payments and failed to disclose to his victims that he had sold the property. As a result, defendant FITZMARTIN's victims lost a total of \$403,955.28.

B. The Douglasville Project

8. On March 27, 2007, defendant ROMAN R. FITZMARTIN formed a limited partnership called Douglasville Land Group, LP, ostensibly to purchase property in Douglasville, Pennsylvania. Defendant FITZMARTIN solicited two individuals to invest in the limited partnership by falsely promising them he would purchase the property. Based on these false promises, the investors gave defendant FITZMARTIN a total of \$300,000 in exchange for a 30-percent interest in the project.

9. Defendant ROMAN R. FITZMARTIN falsely told the investors that he had engaged in negotiations to purchase property in Douglasville, and that he had already identified a buyer. He further falsely promised that he would "flip" the property by selling it immediately. Defendant FITZMARTIN promised that he would give the investors an approximately 30-percent return on their investment in one year.

10. Defendant ROMAN R. FITZMARTIN never purchased any property in Douglasville and never made any real attempts to do so. Even though he had never purchased

the property, defendant FITZMARTIN falsely suggested that he had done so. When the investors asked for their money back one year later, defendant FITZMARTIN falsely stated that he needed more time and obtained from the investors an extension on the return of their money until June 2008. Despite his promises, defendant ROMAN R. FITZMARTIN took no steps to purchase the property, never even engaging in any negotiations and his victims lost a total of \$300,000.

C. 6 E. Court Street Project

11. Defendant ROMAN R. FITZMARTIN formed a limited partnership to purchase property at 6 E. Court Street in Doylestown, Pennsylvania. On March 31, 2005, defendant FITZMARTIN purchased the property for \$670,000. To raise the funds to purchase the property, defendant FITZMARTIN sold a 42-percent interest in the property to 10 investors for a total of \$300,000 and obtained a commercial mortgage for the balance of the purchase price. Under the terms of his agreement with investors, when the property was sold, the proceeds would first be used to pay off the mortgage, then to pay the investors, and to defendant FITZMARTIN only if any proceeds remained.

12. On August 27, 2007, defendant ROMAN R. FITZMARTIN sold the property for \$780,000. Defendant FITZMARTIN realized a total of \$218,763.98 in proceeds from the sale. Defendant FITZMARTIN did not tell the investors of the sale. Instead, he made one \$50,000 payment to one of the investors and kept the remaining \$168,763.98 for himself, using it to pay his own personal and business expenses.

13. As a result of defendant ROMAN R. FITZMARTIN's fraudulent scheme, his victims lost a total of \$872,719.26.

14. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendant

ROMAN R. FITZMARTIN,

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by United States mail, according to the directions thereon, the items described below:

<u>Count</u>	<u>Date</u>	<u>Description</u>
1	2/4/08	Check mailed from FUEL Real Estate, LP, Doylestown, Pennsylvania, in the amount of \$1,487.12 to investor R.J. in Yardley, Pennsylvania.
2	5/16/08	Check mailed from FUEL Real Estate, LP, Doylestown, Pennsylvania, in the amount of \$1,470.96 to investor R.J. in Yardley, Pennsylvania.

All in violation of Title 18, United States Code, Section 1341.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1341 set forth in this indictment, defendant

ROMAN R. FITZMARTIN

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to the sum of \$872,719.26.

2. If any of the property described above, as a result of any actor omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), 28 U.S.C.
§ 2461, and United States Code, Section 853.

MICHAEL L. LEVY
United States Attorney